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Approved For Release 2003/02/27 : CIA-RDP61-00763A000100090124-8

DPD-2509-59

16 April 1959

MEMORANDUM FOR: Deputy Director (Plans)

THROUGH : Acting Chief, DPD

SUBJECT : Price Redetermination  
Contract No. BC-200  
Hycon Mfg. Company

1. This memorandum contains a recommendation submitted for approval of the Deputy Director (Plans). Such recommendation is contained in Paragraph 5.

2. A meeting was held at Hycon Mfg. Company on 3 March 1959 for the purpose of negotiating a final fixed price for performance of Contract No. BC-200. Contract No. BC-200 covered additional Project requirements for the "B" Configuration and related equipment. The Contract also included requirements [ ] for the "B" and "A-2" Configurations and related equipment. The Perkin-Elmer Corp., Norwalk, Conn., a subcontractor, was required to furnish the necessary Lenses and Filters.

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3. The parties could not agree upon a final price due to the Contractor's request for profit at the rate [ ]. The Contractor indicated his desire to meet with you on the matter. However, he requested that we submit our oral offer in writing. We agreed to submit a letter but advised the Contractor that if he met with you that our offer was not binding. The Contractor feels he is entitled [ ] profit for the following reasons:

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- a. The Company as well as [ ] personally suffered due to [ ] spending approximately 75% of his time on the Project work.
- b. The Company has not realized repeated orders for equipment developed and produced as originally contemplated.
- c. Personnel problems have been created by moving individuals to the Project and now attempting to integrate them back into normal functions of the Company.

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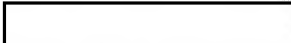
4. In order to acquaint you with this pending settlement, detailed information is submitted in the attached Exhibit A.

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5. Approval of settlement offer against BC-200 and signing of the attached letter (DPD-2510-59) to Hyeon is recommended.

  
Contracting Officer, DPD

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Attachment:  
Exhibit A

CONCURRENCE:

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WILLIAM BURKE  
Acting Chief, DPD-DD/P

Approval requested in  
Paragraph 5, granted.

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RICHARD M. BISSELL, JR.  
Deputy Director (Plans)

Distributions:

- Orig - BC-200 Price Red.  
Fldr.
- 2 - Mr. Bissell
- 3 - Finance, DPD
- 4 - AF Liaison Officer
- 5 - Chrono, RI

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Next 1 Page(s) In Document Exempt

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